

MANAGING YOUR PORTFOLIO

STEP 4

After your accounts are established and the behind-the-scenes work is in place, we would like to meet with you at least one more time. The purpose of this meeting is to make absolutely sure that the plan we have in place is the plan that works for you, and to give you and us another opportunity to get to know each other and pose questions that need to be part of the long-term process.

We will do a detailed analysis of your portfolio each month. Your portfolio analyst will consider the details of your needs and portfolio, and recommend changes (trades) as a result of our phasing-in process, changes in market valuations, the natural results of your cash needs, etc. The analyst will submit recommended changes to your portfolio manager, the portfolio manager will consult with your portfolio strategist, the details will be examined and re-examined, and a determination will be made of the current transactions necessary to move your portfolio forward. Trades will be made, Fidelity will inform you of the transactions, we will audit the trades for accuracy, we will update our notes, and so on.

In spite of our combined efforts to develop a long-term, stable, bulletproof plan, things will change. Your cash needs will change, you will add or subtract material amounts to or from your portfolio, or circumstances will suggest a reconsideration of the plans in place. It is your responsibility to inform us of changes in your financial situation. We don't need you to do any work, we just need you to stay in touch and keep us informed.

Fidelity will send you monthly statements of all your accounts. We will send you quarterly reports to inform you of the details of your plan and your portfolio's contribution and adherence to the plan. We are available to meet with you or speak with you by phone at your convenience. We work very hard to make ourselves available, and hope you will find contacting us and meeting with us to be comfortable, informative, and purposeful.

By virtue of our monthly detailed work on your portfolio, we are able to constantly consider your short-term cash needs, update your asset allocation to our models, and begin to adjust your portfolio to adhere to changes in your needs and objectives.

FINAL THOUGHTS

We have written the above commentary to help new and/or prospective clients understand the process of becoming our client and accessing our portfolio management services. We have been right here on our little corner of the world for a long time and we plan to be right here for many years to come. We hope that you will come see us – get to know us and let us describe our services. We like to close our client communications with phrases like “call or come see us when you can.” We mean that and recognize that we are privileged to serve our clients and friends.

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*A Registered Investment Advisor
A copy of our ADV Part II and our Privacy Policy will be made available during this process.
It is available upon request as well as on our website.*

TD CAPITAL MANAGEMENT LLC

NEW AND PROSPECTIVE CLIENT GUIDE

FOUR STEPS TO BECOMING A CLIENT

STEP 1

ESTABLISHING A LONG TERM RELATIONSHIP

We invite you to schedule a meeting with our Chief Investment Officer / Chief Portfolio Strategist - Douglas Smith, CPA/PFS. There is no obligation or charge of any kind related to this initial meeting. We encourage you to include anyone you wish – your family, accountant, attorney, friends, other advisors, etc. This first meeting will be useful in getting to know you, as well as beginning to understand your portfolio goals and objectives. Doug will explain TD Capital's approach to holistic and integrated portfolio management. This meeting should be casual and allow you to ask questions and develop some understanding and comfort with our investment and portfolio management services.

TD Capital Management LLC is an investment advisory firm based in Memphis, TN, and affiliated with the CPA and consulting firm of Thompson Dunavant PLC. We currently manage approximately \$350 million in assets for our clients – including individuals and families, institutions, charities, endowments, retirement plans, etc.

Doug and our very able staff have designed the approaches and developed the investment models used to manage our clients' portfolios. All portfolios under TD Capital's care are focused on what we call the “controllable elements” – diversification, cash-flow provision, tax-efficiency, and cost-control.

We'll ask you to provide information pertinent to the analysis process. This will include tax and holdings information and may expand to include other financial information.

Doug is one of the founding members of TD Capital Management LLC. He is a Certified Public Accountant (CPA) an AICPA accredited Personal Finance Specialist (PFS), and has undergraduate and graduate degrees in Business and Accounting. He is an avid student of finance and economics, and in particular, personal finance and financial integration.

Doug has served as an adjunct faculty member at the University of Memphis, Christian Brothers University and Rhodes College. He is the chair of the Tennessee Society of CPA's Personal Financial Planning Committee, and a frequent speaker to CPA and investment groups. Active in his church, Doug has served as finance chair, vestry (board) member, and senior warden (chair). He has served as Treasurer of the Episcopal Diocese of West Tennessee.

It will be helpful, but certainly not required, if you bring the following to your initial session:

- **Copy of most recent tax return.**
- **Copies of recent brokerage, retirement, annuity statements.**
- **Some thoughts on your plans, objectives, goals, etc.**
- **Pension and Social Security expectations.**
- **Company sponsored retirement, deferred compensation arrangements, stock ownership and options, private firm ownership, etc.**
- **Real estate and other holdings (along with any associated mortgages or debt).**
- **Cost basis of taxable holdings.**

This information will help us to create spreadsheets and do some preliminary analysis of your situation. At the next meeting, we will expand the data gathering and analysis process that is so critical to meeting your goals and objectives.

SHARING INFORMATION

By now we will be able to share with you some snapshots of your portfolio situation. We should be able to assess difficulties and costs associated with making any changes to the structure of your portfolio. Most importantly, we can give you some informed thoughts on your portfolio's abilities or constraints as it relates to your goals, objectives, and cash-flow needs.

Again, you are welcome to bring anyone that you wish to this meeting. Included from the TD Capital family will most likely be Doug Smith along with our Portfolio Manager – John Harrell. John is responsible for much of the analysis utilized to make this meeting and conversation meaningful.

You will find that we are very practical, straightforward folks. The underpinnings of our work are technical and complicated, but our conversations and presentations to you should be candid, focused, and understandable.

The issues that seem to dominate these more detailed sessions often include some re-visiting of our earlier conversations, as well as enhanced personalization. The most critical element of portfolio management is suitability - your portfolio's contribution to meeting the goals and objectives of its owner: you.

John carries an undergraduate degree in Finance from the University of Memphis, and a Masters of Business Administration (MBA) from the comprehensive program at Christian Brothers University. He is preparing for advanced studies and designations in the collateral areas of investment management and personal finance.

Based on our acquired knowledge of the details of your financial picture, we will develop a plan to share with you. This plan will include the structure of a portfolio designed to meet your needs and objectives, a consideration of your cash flow needs and expectations, and other items of financial importance that we have identified during the data gathering and analysis process.

STEP
2

IMPLEMENTING THE PLAN

We will do our best to present the plan to you in a straightforward, understandable fashion. We must note, however, that the plans we develop are extremely detailed and long-term. We ask in advance for your patience – it sometimes takes a little time for our clients to fully grasp the intricacies of their portfolios and plans. We'll talk about how your cash needs will be funded and provided, the plethora of asset allocation categories required to create a truly diversified portfolio, the use of short-term instruments and investment grade bonds, and procedural "stuff" related to your accounts, until you are comfortable that you understand our intentions.

At this point, we will suggest that you sign some paperwork to establish brokerage accounts with Fidelity Institutional Wealth Services. You may need individual accounts, joint accounts, IRAs, custodial accounts for children, trusts, etc. Accompanying the account applications may be other paperwork that is necessary to set up features on your account as well as granting us permission to work in your accounts.

Peggy Campbell will gather all your paperwork and direct our Fidelity representatives to establish your accounts, arrange for the features you need (regular cash-flow, electronic links to your checking account, etc.), and monitor any transfers of your holdings to your new accounts. Peggy will keep in touch with you as the accounts, features and transfers are taking place, especially during this transition period.

Our fees are based on the assets under our management and care. The annual fees range from 1% of assets for relationships less than \$500,000, to ¾% if your portfolio is between \$1/2 million and \$1 million, ½% if more than one million, but less than \$2 million, and .35% (.0035) if more than \$2 million. Our fees are always billed in arrears (after we have performed services), and usually following the end of each three-month period. Most clients choose to have their investment management fees paid from their Fidelity accounts.

Meanwhile, we will be assigning a client service team to you, and plotting the next few months of efforts to structure your portfolio in accord with your plans. We will also be integrating your portfolio into our technology systems – for detailed portfolio analysis, reporting to you, access to data and notes about you and your plans.

Your Client Service Team includes:

*Portfolio Strategist
Portfolio Manager
Portfolio Analyst
Client Service Manager*

STEP
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